

VOL. XV
PAGES 1233-1244

WEEK ENDING NOV. 8, 1957

No. 45***GOP Retains 2 House Seats;
Democrats Gain in N.Y., N.J.;
Rep. Chudoff Wins Judgeship******Page 1233, 1234*****CONTENTS**

	<u>Page</u>
Capitol Quotes	ii
Political Notes	1233
Pressures On Congress	1236
Around The Capitol	1240
Committee Roundup	1244
Congressional Quiz	iii
Week In Congress	iv

**3rd PARTY
COMMENTS*****Page 1235*****LOBBY SPENDING
HITS \$2.7 MILLION*****Page 1237*****Conflict-of-Interest Laws*****Page 1242*****Finances Plague Road Program*****Page 1241***

Capitol Quotes

* HOSPITALS -- "Hospitals are about the same all over. I have been penned up here a few days with what the doctors call the flu.... I got something that causes an entirely new diet.... Tonight I had a cup of soup, and aside from a few drops of goose oil on the surface there was nothing in it which would be identified by the naked eye.... It couldn't be compared to anything I ever encountered before in a long and reckless life.... The main diet is beef and the way they can cook beef! All the flavor is taken out...it is pounded into slabs...so resistant to human mastication your teeth rebound.... For breakfast they brought two strips of bacon, but I made the mistake of touching it. It immediately disintegrated." -- Rep. Usher L. Burdick (R N.D.) Nov. 7 newsletter.

* CIVIL DEFENSE -- "If we are re-examining our complacencies...then isn't it time we re-examined our complacency on Civil Defense?.... If there is a coordinated plan by the Administration, we know nothing about it. If there is organization within the states, then we know nothing about it.... There is no plan, not even a suggested hint of where and how the Congress could meet in the event of...a disaster. This leaves the way open completely for martial law and the voices of the Representatives of the people dispersed and dissipated.... I shall therefore, upon the reconvening of Congress, introduce legislation proposing an alternate meeting place for the Congress in the tragic event of atomic disaster. If there were no threat at all, the monies already appropriated would be that much waste. If there is a threat, then the monies appropriated are gravely insufficient." -- Rep. Emanuel Celler (D N.Y.) Oct. 27 address.

* RED EGGS -- "The recent egg-throwing incident, involving Agriculture Secretary (Ezra Taft) Benson, in South Dakota, comes suspiciously soon after the decision by midwest Communists to step up their agitation among farmers in our area.... The action was taken by the Minnesota Communist party at its convention last Spring. In adopting their party platform, they followed the old theory of 'divide and conquer from within'.... Although the new Red document was adopted by the Minnesota Communists, it was specific in covering farm affairs throughout the Dakotas, Minnesota and Wisconsin.... I hope that... the investigating committees of Congress will do a little checking up in this field in 1958." -- Rep. Otto Krueger (R N.D.) Oct. 30 newsletter.

* TAXES -- "Let us remember that inflation remains Public Enemy No. 1.... To adequately meet the sputnik challenge, America must maintain a vigorous, flourishing economy at home.... To curb inflation, our cue for 1958 is simple and as clear as the noon-day sun: we must cut taxes, and this must be offset by less Federal spending. A tax cut next year is a responsibility of Congress.... True, the sputnik scare lends excitement to the arguments by advocates of big Government spending. Their hands are glued to the panic button right now. Let us not be stampeded." -- Rep. Earl Wilson (R Ind.) Oct. 28 newsletter.

* HIGHWAY ROBBERY -- "Mrs. Rogers and I were driving through to Washington recently and came through that section of the Chicago suburbs that had once been the hangout of Al Capone and other prominent gangsters.... We were hailed to the side of the road by a uniformed policeman and told we had exceeded the speed limit, according to an electrical device which the police were using and which was located in a car parked behind a sign.... I do not know how fast we were going.... I do know that we were not going any faster than any of the cars and trucks around us.... The only thing the policeman would tell us was that we must post a \$10 cash bond since we were from out of the state.... I asked him when we could have a trial.... He advised me that it would be several days before a judge would be available.... As we were leaving, our friend...was stopping another car with an out-of-state license.... This 'daylight robbery proceeding'...should be most lucrative for the city coffers. During my short stay...the city took in some \$30. That would mean \$360 each hour, or \$2,880 for an eight-hour day, or \$86,000 per month or \$1,036,000 per year. Al Capone and his bunch were pikers." -- Rep. Walter Rogers (D Texas) Nov. 1 release.

* LAWYER'S LAWYER -- "A crackerjack lawyer, William P. Rogers, is the new U.S. Attorney General.... Bill is a personable...'lawyer's lawyer'.... He was a rock of Gibraltar to those of us who worked for passage of the civil rights bill and immigration law reform...always alert and ready to unravel the legal angles on these complex bills.... Americans are lucky to have him in the top spot at the Department of Justice." -- Sen. Charles E. Potter (R Mich.) Oct. 28 newsletter.

Copyright 1957, by Congressional Quarterly Inc., 1156 Nineteenth Street, N.W., Washington 6, D.C. CQ WEEKLY REPORT is published every Friday. All reproduction rights, including quotation, broadcasting and publication, are reserved for current editorial clients only. Second rights are reserved, including use of Congressional Quarterly material in campaign supplements, advertisements and handbooks without special permission. Rates are based on membership and/or circulation of clients and will be furnished on request. CQ Weekly Report and index also are available to clients on microfilm, at \$5.10 a year. Second class mail privileges authorized at Washington, District of Columbia.

DEMOCRATS HAVE MORE TO CHEER ABOUT FROM ELECTION RESULTS

Republicans won two special House elections in districts they had previously held, while Democrats retained the governorships of New Jersey and Virginia and the New York City mayoralty in elections held around the country Nov. 5. Over-all, Democrats found more to cheer about than the GOP. Here is how it went.

House Races

NEW JERSEY, 2nd District -- Complete unofficial returns gave Milton W. Glenn (R) 57,089 votes to 47,189 for Joseph G. Hancock (D). Glenn won the seat held by the late Rep. T. Millet Hand (R). Democrats were cheered by the drop in the Republican percentage of the vote from 67.9 percent in 1956 to an unofficial 54.7 percent on Nov. 5. (Weekly Report, p. 1222)

PENNSYLVANIA, 13th District -- Complete unofficial returns gave John A. LaFore Jr. (R) 82,147 votes to 47,478 for Glenn W. Preston (D). LaFore won the seat held by Rep. Samuel K. McConnell Jr. (R) who resigned Sept. 1. The Republican percentage of the vote dropped from 67.9 percent in 1956 to an unofficial 63.3 percent on Nov. 5. (Weekly Report, p. 1222)

As a result of the two elections and the switch of Rep. Vincent J. Della (N.J.) to the Democrats the lineup in the House became 234 Democrats, 200 Republicans and one vacancy in the Illinois 7th District (Chicago).

Representatives were involved in two other races Nov. 5. Earl Chudoff (D Pa.), a Representative since 1949, was elected to the Court of Common Pleas No. 1 in Philadelphia. Chudoff's office said he planned to resign his 4th District (Philadelphia) seat in January, and a special election to fill the vacancy probably will be held in 1958. Chudoff holds seats on the Government Operations and Judiciary Committees.

Rep. Henry J. Latham (R N.Y.) ran for Supreme Court Justice in the 10th Judicial District (Queens, Nassau and Suffolk Counties) but was defeated by incumbent Mario Pittoni (D).

Other Elections

Here is the roundup of other elections:

CONNECTICUT -- New Haven Mayor Richard C. Lee (D), a leading prospect for Democratic nomination for Senator in 1958, Nov. 5 was reelected to his third term with the largest plurality in city history. Lee defeated Mrs. Edith Valet Cook (R) by an unofficial 41,533 to 18,599. Democratic incumbents were ousted as mayors of Stamford and Waterbury by Republicans, and the Democratic incumbent in Norwalk lost to an Independent.

In Bridgeport, Socialist Jasper McLevy was defeated by 161 votes in his try for a 13th term as mayor. Winner was Samuel J. Tedesco (D), a city judge and former state senator. (Weekly Report, p. 1223)

MICHIGAN -- Louis C. Miriani, who succeeded the late Albert E. Cobo as mayor of Detroit in September, was elected to a four-year term in the non-partisan municipal election Nov. 5. Miriani defeated John Beck, 290,626, to 48,394 in unofficial returns. William T. Patrick Jr. became the first Negro member of the nine-man city council in Detroit.

NEW JERSEY -- Gov. Robert B. Meyner (D) Nov. 5 won reelection over State Sen. Malcolm S. Forbes (R) by a larger margin than his 1953 victory. Complete, unofficial returns from the state's 4,219 election districts gave Meyner 1,081,563 votes to 879,459 for Forbes. His unofficial margin of 200,000 votes compared to a 153,642 vote victory in 1953. Democrats also won control of the state assembly for the first time since 1937, winning 42 of the 60 seats. The state senate remains Republican, 13-8, the Democrats picking up one seat. Meyner is considered a leading candidate for the Democratic Presidential nomination in 1960; Forbes had been endorsed by President Eisenhower and Vice President Richard M. Nixon had campaigned for him. (Weekly Report, p. 1223)

NEW YORK -- New York City Mayor Robert F. Wagner (D) Nov. 5 won a second four-year term, defeating Robert K. Christenberry (R) by an unofficial 900,000 votes, the largest plurality ever achieved in a city election. Complete unofficial returns gave Wagner 1,507,342 votes to 587,440 for Christenberry, a hotel executive endorsed by President Eisenhower. Wagner also was backed by the city's Liberal and Fusion parties. Democrats upstate made a net gain of five mayors; they wrested control from the GOP in Amsterdam, Canandaigua, Corning, Kingston, North Tonawanda, Lackawanna, Glens Falls and Johnstown, while retaining control of Buffalo and electing a Negro woman to the city council. Republicans ousted Democrats in Peekskill, Hornell and Tonawanda. The GOP also took control of growing Rockland County, the home of State Democratic Chairman Michael H. Prendergast.

Democrats picked up one seat for the state senate by winning in usually Republican territory around Schenectady; there were no state assembly changes. The 1958 lineup in the legislature: State senate -- D 21, R 27; assembly -- D 54, R 96. Voters rejected a proposal strongly backed by the Democrats and opposed by the GOP for a state convention in 1959 to amend the state constitution. Approval might have given the Democrats a chance to reapportion the state.

PENNSYLVANIA -- Pittsburgh Mayor David Lawrence (D) Nov. 5 won an unprecedented fourth successive four-year term, easily defeating Republican John Drew. Complete unofficial returns gave Lawrence 128,428 votes to 68,737 for Drew. All told, Democrats elected 15 of the 23 mayors in the state up for election, taking six away from the Republicans, and losing none they held going into the election. A fourth consecutive term also was won by Scranton's Democratic Mayor John T. Hanlon. Republicans held on to a 13th District House seat. (See preceding page)

VIRGINIA -- Democrat J. Lindsay Almond Jr. Nov. 5 easily won a four-year term as governor, defeating State Sen. Ted Dalton (R) by an almost 2-1 margin. Unofficial returns from 1,905 of the state's 1,908 precincts gave Almond 327,953 votes to Dalton's 188,497. Almond, running on a platform of "massive resistance" to the Supreme Court's school desegregation decision, had the backing of U.S. Sen. Harry Flood Byrd's dominant Democratic organization. Dalton, who had made an off-the-record prediction he would lose by a 2-1 margin after President Eisenhower sent troops to Little Rock, campaigned for a pupil assignment plan that would have permitted limited school integration. In 1953, Dalton won 44.7 percent of the vote. President Eisenhower, who had endorsed Dalton, carried the state in 1952 and 1956, 56.5 and 55.4 percent of the vote respectively. Only the 10th Congressional District across the river from Washington, D.C., gave Dalton a majority, with 31,170 votes to 29,183 for Almond. The 10th District is represented by Rep. Joel T. Broyhill, a Republican.

California Politics

Following Washington conferences with President Eisenhower and Vice President Richard M. Nixon, California Gov. Goodwin J. Knight (R) Nov. 5 announced he was withdrawing his candidacy for renomination in 1958. His action cleared the way for Senate Minority Leader William F. Knowland (R Calif.) to win the gubernatorial nomination. Knight who said his action was taken to avoid a "bitter intra-party struggle," said he would seek the Senate seat currently held by Knowland. (Weekly Report, p. 1223)

Nixon Nov. 5 endorsed the Knowland-Knight ticket and praised Knight's decision. Knight said he had not received endorsement from the President since Mr. Eisenhower did not, as a matter of policy, endorse candidates in primaries. Knowland also declined to endorse any candidate before the primary. Knight will be opposed in the primary by San Francisco Mayor George Christopher, who called Knight's action a "political shenanigan" and said he would not withdraw from the Senate race.

California Attorney General Edmund G. (Pat) Brown, the only announced candidate for the Democratic gubernatorial nomination, Nov. 6 charged Knowland, Knight and Nixon with making a "deal." He said he had been told Knowland would resign his Senate seat following the June, 1958, primary and Knight would be appointed to the rest of Knowland's term, running through 1958. Knight then would run as an incumbent in the November election. Knight denied the Brown assertion.

Election Comments

Republican leaders Nov. 6 generally interpreted the election results to mean the party was in for a hard fight in 1958, but were happy that their two candidates won the House races. Democrats generally were jubilant; they hailed the results as indicating a return to the Democratic party by voters who had left. Comments included:

• Assistant White House Press Secretary Anne Wheaton, who said Mr. Eisenhower had approved her statement -- "It is clear that the Republican party and its candidates have a fight on their hands if victory is to be achieved in the '58 elections.... There is real gratification in the special election of two Republican candidates for Congress in New Jersey and Pennsylvania...."

• Bertha Adkins, assistant chairman of the GOP National Committee, after a talk with Mr. Eisenhower -- The President was "concerned, surprised and disappointed by the size of Gov. Meyner's victory" in New Jersey.

• GOP National Chairman Meade Alcorn -- "If the Democrats want to take pride in their all-out segregation victory in Virginia, they're welcome to it. In New Jersey the successful candidate so questioned the value of the Democrat label that he left it off his billboards. Yesterday's elections once more underscore the seriousness of the job facing the Republican party in 1958. The people of America will then have to make a significant decision -- between strengthening the Republican party which has brought the Nation peace, prosperity and decency in Government, and a return to power of the Democrat party which imperiled our security, condoned corruption and led us into the Korean war."

• Democratic National Chairman Paul M. Butler -- Said both Virginia candidates for governor favored segregation. The Virginia vote was a rebuke to GOP efforts "to run as segregationists in the South and as civil rights advocates in the North. I would respectfully suggest that economic soft spots, protection of special interests, lack of Presidential leadership, deterioration of our alliances with other free nations and our shocking slippage in military strength and in military science are the big political issues of today."

• Gov. Robert B. Meyner, winning New Jersey candidate -- Said he campaigned solely on state issues. "Whatever outside political significance New Jersey's verdict may be deemed to have, I leave entirely to others."

• Malcolm S. Forbes, defeated New Jersey candidate -- Said only state issues were involved in the campaign. His campaign manager, Neil Duffy, said Russia's two earth satellites and a drop in stock market prices played a part in the election result.

• New York City Mayor Robert F. Wagner -- Saw his victory as a rebuke to President Eisenhower.

• New York State Democratic Chairman Michael H. Prendergast -- Saw the election results as "a smashing blow to the bankrupt Republican leadership in New York State and in Washington. One of the brightest spots in the returns is the rising Democratic tide in the suburban counties around New York City."

• New York State Republican Chairman L. Judson Morehouse -- A proposal for a state constitutional convention was the only statewide issue. Its defeat "was a repudiation of Gov. Harriman and the Tammany-Liberal coalition in this state. The local elections...were decided primarily on local issues and personalities, and possibly some concern over economic pressures and the Soviet Union's temporary advantage in exploring outer space."

THIRD PARTY POSSIBILITY

Governors of two more southern states replied Oct. 26 and 29 to CQ's query on the prospects of a third party in 1960. (Weekly Report, p. 1222) Their statements:

- Alabama Gov. James E. Folsom (D) -- "I would like to state that there is no impetus whatever toward the formation of a third party movement in the South, or at least there isn't in Alabama. Personally I take the stand I have always taken: I am a Democrat and I expect to remain one."

- Georgia Gov. Marvin Griffin (D) -- "It appears the South cannot look to the Democratic or the Republican party for redress of what I consider the gravest of grievances. Whether the differences facing this Nation today can be better resolved by the formation of a third party is to me a matter of conjecture at this time. However, there is a great deal of growing sentiment in this part of the Nation concerning such a movement."

North Carolina Gov. Luther Hodges (D) Oct. 28 said there was "no support" in his state for a third party movement.

Republican National Chairman Meade Alcorn Oct. 29 said "the emergence of a third party in the South" would be "the inevitable result of the utterly irreconcilable differences in the Democratic party."

REP. DELLAY'S SWITCH

Rep. Vincent J. Dellay, elected as a Republican in 1956 from New Jersey's 14th District (Jersey City), Oct. 29 said he would sit as a Democrat in 1958. Dellay was elected by 7,287 votes in 1956 in the normally Democratic district. President Eisenhower carried the district by 39,102 votes.

Dellay had been at odds with the Republican organization over patronage matters ever since his election. On Oct. 24 he endorsed Gov. Robert B. Meyner (D) for reelection and later campaigned with him. (Weekly Report, p. 1223)

Republican State Chairman Samuel L. Bodine Oct. 29 said Dellay's switch was "merely the payoff for his already-stated desire to seek reelection as a Democrat. Dellay has a history as the most flagrant exponent of nepotism in Congress today. This practice of putting relatives on the public payroll had already earned him the opposition of the Republican leaders in Hudson County.... This politician...is simply trying to secure the nomination for the only party who would now tolerate his presence on a ticket -- the Democrat party."

REP. GORDON'S PLANS

Chairman Thomas S. Gordon (D Ill.) of the House Foreign Affairs Committee Oct. 29 said he was "giving serious consideration to not seeking renomination" in the 1958 primary "because of health." Gordon, 63, has been elected to eight terms in the House from the 8th District in Chicago. He underwent major surgery in August for a circulatory ailment.

Gordon's statement made no comment on reports he might resign from Congress before the end of his term. The ranking Democrat on the Foreign Affairs Committee is Rep. Thomas E. Morgan of Pennsylvania. Gordon said that if he retired "he would be happy to see his son, Thomas Jr., succeed him as Representative."

ALCORN ON ECONOMY, DEFENSE

In a reply to Democratic Advisory Council charges on the state of the Nation's economy and defenses (Weekly Report, p. 1209), Republican National Chairman Meade Alcorn Oct. 31 said:

"The very same Democrats whose cheap money policies gave this Nation its worst case of galloping inflation in history are now asserting they have all of the answers on fiscal management. We are asked to believe that the disastrous Truman monetary policies would somehow have a benign effect if tried again. The Republican Administration has carried forward an ambitious, top-priority missiles program that already has placed many new and effective weapons in the hands of our armed forces. Other and much more powerful missiles are in various stages of development and testing."

DEMOCRATS ON IMMIGRATION

The Democratic Advisory Council Nov. 2 said President Eisenhower "failed to furnish any real leadership on the important issues" in the immigration field. The Council called for "a broad new program of immigration laws," including:

- Elimination of entrance quotas based on national origins.
- Elimination of provisions "imposing unnecessary discriminations on naturalized citizens."
- Elimination of provisions giving State and Justice Departments "overlapping jurisdiction over applications for admission to the United States...."
- Enactment "at the earliest possible date of legislation to adjust the status of the refugees from Hungary brought into the United States by Presidential fiat and left to an uncertain future by the Republican Administration...."

State Roundup

ILLINOIS -- Rep. Noah M. Mason (R Ill.) Nov. 1 said he had been assured by Illinois Gov. William G. Stratton (R) there would be no organized opposition to his bid for renomination to an 11th term from the 15th District. Previously, Stratton had been reported to be backing an opponent to Mason. (Weekly Report, p. 1102)

INDIANA -- Virgil W. Smith, former chairman of the Indiana Highway Commission, and Robert Peak Nov. 2 were convicted of conspiracy to embezzle state funds in the state highway land scandal. Two other men, both former employees of Smith, were acquitted. All were accused of participating in a deal that netted \$28,500 on the sale of two lots along the route of a new expressway in Indianapolis. (Weekly Report, p. 811)

MISSOURI -- Ex-Rep. Dewey Short (R Mo. 1935-57) Oct. 30 said he had no plans to run for office. Short, defeated for reelection in 1956 in the 7th District by Rep. Charles H. Brown (D), is an Assistant Secretary of the Army. Short said, "I've had all I want of campaigning every two years." (Weekly Report, p. 375)

OHIO -- Sen. Frank J. Lausche (D Ohio) Oct. 29 said he would support the Democratic candidates for Senator and governor in 1958, but would not endorse anyone for those nominations.

Pressures On Congress

FOREIGN TRADE PRESSURES

The United States Council of the International Chamber of Commerce Nov. 8 released proposals for revising the Reciprocal Trade Agreements Act which comes up for renewal in 1958.

The Council's recommendations called for a restatement of the purpose of the Act and changes in its operating provisions in the direction of "trade liberalization." The Council recommended:

- Changing the escape clause amendment to limit tariff relief to domestic producers injured by foreign competition to the period necessary for readjustment.
- Repealing the peril point provisions.
- Granting the President "substantial" authority for further tariff reductions to expand international trade.
- Modifying the reciprocity requirement to permit tariff cuts in return for non-trade benefits, such as advantages for American investments or benefits of a strategic nature.
- Revising the national security provision to permit the President greater latitude in defining national security.
- Extending the Act for five years.

Meanwhile, trade protectionists announced they would press for two amendments designed to restrict operations under the Act. O.R. Strackbein, chairman of the Nation-Wide Committee of Industry, Agriculture and Labor on Import-Export Policy, Nov. 3 advanced the proposals. They would:

- Deny the President authority to accept or reject recommendations of the U.S. Tariff Commission under the Act's escape clause procedures.
- Permit import quotas to be imposed under the escape clause procedure and set up guidelines for their use. Under current law there is some doubt as to whether or not quotas could be applied.

Strackbein said priority was being given to the first proposal because the President has rejected some Tariff Commission recommendations, and has "substituted his own judgment, or more accurately that of the State Department, in a field where the last word must be that of Congress if the regulation of foreign commerce by that body is to have any meaning."

OPEN APPROPRIATIONS HEARINGS

The National Assn. of Manufacturers Nov. 1 urged that open hearings be held on the Federal budget as a means of achieving "effectiveness of economy efforts." In a pamphlet entitled, *Guides for Control and Reduction of the 1959 Federal Budget*, NAM said "an obvious gap in the present procedure for dealing with the budget is the lack of opportunity for individuals or groups of citizens to express their views before the Congressional committees that formulate the appropriation bills which authorize the budget programs and spending." The Senate Appropriations Committee generally holds open hearings, while the House Appropriations does not.

GRANTS-IN-AID

The AFL-CIO Nov. 3 said President Eisenhower had instigated an "attack" on the Federal grants-in-aid programs that will "adversely affect every family but particularly those most in need."

In its monthly Economic Review, the AFL-CIO said the President's Joint Federal-State Action Committee is "now deciding which of the Federal grants-in-aid programs...will be recommended for elimination first." (Weekly Report, p. 996)

Opposing any such move, the AFL-CIO said the programs of matching state and Federal funds were designed to "initiate and expand needed public services; and assist poorer states in achieving minimum standards of important public services."

The U.S. Conference of Mayors Nov. 2, in its semi-monthly Municipal News, said proposals to eliminate grants-in-aid programs were not being taken "too seriously" in Washington but added, "They could strike fire with the Congress with disastrous results to cities throughout the country."

UNIONS' CLEAN-UP

Of the three unions ordered by the AFL-CIO executive council to cleanse themselves of corrupt influences or face expulsion from the Federation, one has taken steps to comply, a second has decided to take its case before the AFL-CIO convention and a third has called a meeting of its executive board on the eve of its deadline. (Weekly Report, p. 1231).

The United Textile Workers of America Nov. 2 took steps in accord with all three major requirements of its clean-up order when a special meeting of the union's executive board accepted the resignation of President Anthony Valente; rescinded a financial settlement under which Lloyd Klenert, a former secretary-treasurer, would have received \$104,000 over a 20-year period and ordered a special convention of the union "as soon as possible."

The United Textile Workers board took no action to fill the office vacated by Valente, but authorized Francis Schaufenbil, secretary-treasurer, to perform necessary functions of president subject to the board's approval.

The International Brotherhood of Teamsters Oct. 31 said James R. Hoffa, president-elect, would stay. The already suspended Teamsters were ordered to remove from office Hoffa and two vice presidents. Outgoing Teamster President Dave Beck said an appeal would be made to the Dec. 5 AFL-CIO convention for reinstatement.

The third union involved, the Bakers and Confectionery Workers International Union, has called a meeting of its executive board for November 14; the day before suspension for that union becomes effective unless clean-up has been accomplished. The Bakers are under orders to oust their president, James C. Cross, and reinstate the secretary-treasurer, Curtis R. Sims, in addition to calling a convention to elect new officers. Cross Nov. 3 said he had no intention of resigning.

LOBBIES SPEND \$2.7 MILLION IN FIRST THREE QUARTERS OF YEAR

Lobbies reported spending \$2,744,536 to influence legislation in Congress during the first nine months of 1957. During the same period in 1956, a total of 257 groups reported spending \$3,194,205. (For list of 1957 spending, see next page)

Congressional Quarterly's survey of official reports filed with the Clerk of the House found 224 lobby groups filing spending reports covering their activities through Sept. 30, 1957. The deadline for filing their reports was Oct. 10. (For second-quarter spending, Weekly Report, p. 928)

The Campaign for the 48 States remained the foremost lobby spender in 1957. The group, pushing for Federal economy said it spent \$129,718 for lobbying during the first three quarters of the year. Highest spender among Citizens' groups, the Campaign for the 48 States' expenditures during the period constituted almost 40 percent of the total spending reported by 28 other groups in the category. Total reported spending of all Citizens' groups came to \$334,982.

Second highest spender was the AFL-CIO, with a reported \$100,360. The Federation took top place among 28 Employee and Labor group spenders that reported a total of \$654,505. A postal workers' union, the National Federation of Post Office Clerks (AFL-CIO), campaigning for a postal employee pay raise, reported second highest spending in the Employee and Labor category. The Federation said it spent \$27,133 in the third quarter of the year lobbying for the legislation. It reported a total of \$73,865 for the first nine months of the year. Postal employees unions as a whole reported spending a total of \$201,129, most of which went to press for a pay raise bill. Although a pay raise was passed by Congress, it was pocket vetoed Sept. 7. (Weekly Report, p. 1097)

Business Lobbies

Among Business lobbies, the United States Savings & Loan League reported spending \$80,277 to take first place in the category and third place overall. The group successfully opposed expansion of Government direct home loans and unsuccessfully urged an increase in GI home loan interest rates to 5 percent. A total of 129 groups in the Business Category reported spending \$1,245,940 during the first nine months of 1957, or 44 percent of the total amount 224 lobbies reported for the period.

Second highest spender in the Business category was the Southern States Industrial Council, dedicated to industrial development of the South, states' rights and reduction of Federal expenditures. The group said it spent \$74,537 to press for its goals. Other high Business lobby spenders: Assn. of American Railroads, 1956 top spender, \$73,840; Council of Mechanical Specialty Contracting Industries; \$45,022; American Hotel Assn., \$37,568; and American Retail Federation, \$37,032. The National Assn. of Real Estate Boards, top lobby spender in 1955, last August filed a spending report covering only the first three months of 1957. It said it spent \$16,372 in the first quarter of the year.

The American Farm Bureau Federation, top among Farm lobby spenders, said it spent \$78,041 in the first three quarters of 1957. The Federation urged reductions in the Federal budget, opposed Federal development of Hells Canyon and the school aid bill. Next highest Farm

14 Top \$45,000

Fourteen organizations reported spending more than \$45,000 during the first nine months of 1957. The reported spending of the 14 groups compared to their spending reported for the same period in 1956:

Organization	1957	1956
Campaign for the 48 States	\$129,718	*
AFL-CIO	100,360	\$108,242
U.S. Savings & Loan League	80,277	56,313
American Farm Bureau Federation	78,041	88,418
Southern States Industrial Council	74,537	77,062
National Federation of Post Office Clerks (AFL-CIO)	73,865	64,555
Assn. of American Railroads	73,840	118,122
National Assn. of Letter Carriers (AFL-CIO)	63,063	19,453
National Farmers Union	59,606	68,142
National Education Assn.	53,643	44,632
American Legion	49,284†	64,704
International Assn. of Machinists, District Lodge No. 44 (AFL-CIO)	48,395	46,514
National Housing Conference	47,476	55,865
Council of Mechanical Specialty Contracting Industries	45,022	32,185

* The group was not registered during the period.

† First half 1957 spending only.

spender, the National Farmers Union with a reported expenditure of \$59,606, urged passage of school aid and Hells Canyon legislation. Both top-spending Farm groups successfully urged Congress to extend the program of selling farm surpluses abroad. Fourteen Farm groups reported total expenditures of \$210,103 in the first nine months of the year.

Among 15 Professional groups that reported spending a total of \$201,780 for the period, the National Education Assn. was in front with \$53,643. The group's major emphasis was Federal aid to schools and better income tax treatment for teachers.

The American Legion, largest spender among Military and Veterans' groups, had not filed a third quarterly report as of Nov. 4, but reported \$49,284 for the first half of the year. Nine groups in the category reported a total of \$97,253.

Who Must File Reports

Under the Federal Regulation of Lobbying Act of 1946, all groups whose principal purpose is to influence legislation are required to register and file quarterly accounts of receipts and expenditures. Since the 1954 Supreme Court decision in the case of U.S. vs. Harriss, et al (347 U.S. 612), some groups have changed their reporting techniques. (1954 Almanac, p. 674) Some organizations listed all expenditures, including salaries, administrative expenses and overhead costs; others said only a small percentage of their total spending could be regarded as lobbying expenditures.

BREAKDOWN OF 224 GROUPS REPORTING THIRD-QUARTER LOBBY SPENDING

Following is a list of groups and the amount of money they reported for lobbying activities during the first three quarters of 1957, ending Sept. 30. The organizations are divided alphabetically into six categories: Business, Citizens, Employee and Labor, Farm, Military and Veterans and Professional. One asterisk (*) indicates the group reported first-quarter spending only, two asterisks (**) indicate it reported only through the second quarter.

Business Groups

Aircraft Industries Assn., of America Inc.	\$ 14,832.45
American Bottlers of Carbonated Beverages Inc.	None*
American Cotton Manufacturers Institute Inc.	20,643.93
American Hotel Assn.	37,567.60
American Life Convention	1,741.41
American Merchant Marine Institute Inc.	5,846.10*
American Paper & Pulp Assn.	None
American Petroleum Institute	26,793.00
American Pulpwood Assn.	None
American Retail Federation	37,032.02
American Short Line Railroad Assn.	7,971.64
American Tariff League Inc.	31,250.00
American Textile Machinery Assn.	None
American Tramp Shipowners Assn., Inc.	26,478.22
American Trucking Assns., Inc.	24,103.37
American Warehousemen's Assn.	None
Arkansas Railroad Committee	5,936.26
Associated General Contractors of America Inc.	2,200.00
Associated Third Class Mail Users Assn., of American Railroads	31,836.68
Assn. of American Shipowners	73,840.01
Assn. of Casualty & Surety Cos.	6,345.74
Assn. of Western Railways	10,061.93
Blue Cross Commission	13,236.00**
Boston & Maine Railroad	148.00
Burley & Dark Leaf Tobacco Export Assn.	644.81
Chamber of Commerce of the U.S.	28,109.73
Clear Channel Broadcasting Service	32,696.66
Colorado Railroad Legislative Committee	1,927.09**
Committee for Broadening Commercial Bank Participation in Public Financing	5,729.17
Committee for Oil Pipe Lines	775.00
Committee for Study of Revenue Bond Financing	19,840.50
Conference of Local Airlines	None**
Cooperative Health Federation of America	434.00**
Corrige Legislative Committee	1,234.81
Council of Mechanical Specialty Contracting Industries	45,022.25
Council of State Chambers of Commerce	3,389.81
Credit Union National Assn., Inc.	577.50
Eastern Meat Packers Assn.	107.79
Ethanol Institute	1,790.76
Financial General Corp.	None
First United Corp.	399.00
Florida Railroad Assn.	12,356.43
Gas Appliance Manufacturers Assn., Inc.	3,644.45
Grain & Feed Dealers National Assn.	199.48
Illinois Railroad Assn.	3,923.29
Independent Advisory Committee to the Trucking Industry Inc.	None*
Independent Bankers Assn.	10,184.45*
Independent Natural Gas Assn., of America	5,200.00
Institute of Scrap Iron & Steel Inc.	5,454.30

Spending by Group Classification

The following are group classifications, number of groups reporting and amount reported spent as of Sept. 30, 1957.

Classification	Number Reporting	Amount Reported
Business	129	\$1,245,939.64
Citizens	29	334,981.78
Employee & Labor	28	654,504.85
Farm	14	210,103.26
Military & Veterans	9	97,252.63
Professional	15	201,780.49
TOTAL	224	\$2,744,562.65

Natl. Tax Equality Assn.	\$ 21,579.35**
Natl. Tax Relief Coalition	1,435.00
Natl. Tire Dealers & Retreaders	1,148.63
Nation-Wide Committee of Industry, Agriculture & Labor on Import-Export Policy	28,428.23
New York & New Jersey Dry Dock Assn.	12,680.20
New York Stock Exchange	9,000.00
Northern Hemlock & Hardwood Manufacturers Assn.	None
Office Equipment Manufacturers Institute, Government Relations Committee of Ohio Railroad Assn.	None
Pacific American Tankship Assn.	4,875.01
Patent Equity Assn., Inc.	6,725.15
Peoples Water Service Co.	45.87
Philco Corp.	None*
Public Information Committee of the Cotton Industries	32,420.80
Regular Common Carrier Conference of American Trucking Assns., Inc.	21,222.39
Roberts Dairy Co.	1,727.82
Seaboard & Western Airlines	730.00
Silver Users Assn.	25,823.62
Six Agency Committee	11,576.14
Smaller Magazines Postal Committee	3,658.20
Southern Pine Industry Committee	8,090.57**
Southern States Industrial Council	74,537.38
Texas Committee of Correspondence Transportation Assn., of America	None
Transportation Assn., of America	1,304.42
Union Producing Co.	3,199.48
U.S. Savings and Loan League	80,276.84
Washington, D.C., Board of Trade	15,000.00
Waterways Council Opposed to Regulation Extension	284.33
Western States Meats Packers Assn., Inc.	2,766.16**
Wherry Housing Assn.	7,000.00
Citizens' Groups	
American Federation of the Physically Handicapped Inc.	\$ 2,449.80
American Human Assn.	4,179.94
American Parents Committee Inc.	6,656.67
American Zionist Committee for Public Affairs	3,773.00
Area Employment Expansion Committee	1,174.40
Campaign for the 48 States	129,718.07
Christian Amendment Movement	13,242.29
Committee for Collective Security	867.37
Committee for the Return of Confiscated German & Japanese Property	300.00
Council of Conservationists	None
Florida Inland Navigation District	4,138.06
Florida Ship Canal Navigation District	4,050.00
Friends Committee on National Legislation	16,261.92
General Federation of Women's Clubs	None**
Japanese American Citizens League	1,125.00
Natl. Congress of Parents & Teachers	500.00**
Natl. Council, Junior Order United American Mechanics	672.29
Natl. Housing Conference	47,475.57
Natl. Multiple Sclerosis Society	825.15**
Natl. Reclamation Assn.	22,681.44**
Natl. Rehabilitation Assn.	1,220.00**
Natl. Rivers & Harbors Congress	30,054.18

Pressures - 4

Natl. Woman's Christian Temperance Union	\$ 4,305.52**	Journeymen Barbers, Hairdressers Union of America (AFL-CIO)	\$ 6,118.83**	Natl. Wool Growers Assn.	\$ 10,170.34
Society for Animal Protection Legislation	3,001.59	Labor-Management Maritime Committee	14,455.45	Plains Cotton Growers Assn.	9,750.00
Spokesmen for Children Inc.	332.28**	Natl. Assn. of Letter Carriers (AFL-CIO)	63,062.60	Vegetable Growers Assn. of America Inc.	104.67
Texas Water Conservation Assn.	23,326.81	Natl. Assn. of Post Office & General Services Maintenance Employees	3,778.33		
United Cerebral Palsy Assns. Inc.	2,746.20**	Natl. Assn. of Postal Supervisors	17,535.76	Military & Veterans' Groups	
Washington Home Rule Committee Inc. West Coast Inland Navigation District	7,101.91	Natl. Federation of Post Office Clerks (AFL-CIO)	73,865.14	American Legion	\$ 49,283.86**
	2,847.32	Natl. Postal Transport Assn. (AFL-CIO)	29,435.44	American Veterans Committee Inc.	1,250.00**
		Natl. Rural Letter Carriers Assn.	13,451.23**	American Veterans of World War II	3,125.00**
Employee & Labor Groups					
Amalgamated Assn. of Street, Electric Railway and Motor Coach Employees of America (AFL-CIO)	None	Order of Railway Conductors & Brakemen	14,645.89	Disabled American Veterans	14,230.00
American Federation of Musicians (AFL-CIO)	\$ 31,709.66	Organization of Professional Employees of the United States Department of Agriculture	2,198.22**	Disabled Officers Assn.	9,375.00
AFL-CIO	100,359.88	Railroad Pension Conference	167.97	Military Survivors Inc.	1,569.59
AFL-CIO Maritime Committee	33,886.83	Railway Labor Executives Assn.	36,000.00	Reserve Officers Assn. of the U.S.	13,900.00
America's Wage Earners' Protective Conference	4,436.94	Retirement Federation of Civil Service Employees of the U.S. Government	27,905.35	Retired Officers Assn.	None
Brotherhood of Locomotive Engineers	21,704.36	American Farm Bureau Federation	\$ 78,041.00	Professional Groups	
Brotherhood of Locomotive Firemen & Enginemen	35,932.91	American National Cattlemen's Assn.	10,628.04	American Dental Assn.	\$ 20,538.34**
Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express & Station Employees (AFL-CIO)	16,869.75	Dairy Industry Committee	None	American Hospital Assn.	33,808.08
Canal Zone Central Labor-Union-Metal Trades Council (AFL-CIO)	11,101.50	Florida Citrus Mutual	5,430.95	American Medical Assn.	38,193.64
Communications Workers of America (AFL-CIO)	17,011.15	Forest Farmers Assn. Cooperative	469.98	American Nurses' Assn. Inc.	9,672.85
Government Employees Council (AFL-CIO)	19,401.80	Milk Industry Foundation	6,763.86	American Optometric Assn. Inc.	9,420.51
Illinois State Conference of Building and Construction Trades	2,287.84*	Natl. Assn. of Soil Conservation Districts	2,801.11	American Osteopathic Assn.	1,420.00
Intl. Assn. of Machinists (AFL-CIO)	6,742.25	Natl. Council of Farmer Cooperatives	13,022.78	American Veterinary Medical Assn.	976.68*
Intl. Assn. of Machinists, District Lodge No. 44 (AFL-CIO)	48,395.27	Natl. Farmers Union, Farmers Educational and Cooperative Union of America	59,605.83	American Vocational Assn. Inc.	400.00
Intl. Union of Electrical, Radio & Machine Workers (AFL-CIO)	2,044.50**	Natl. Livestock Tax Committee	4,505.17	Assn. of American Physicians and Surgeons Inc.	1,500.00
		Natl. Milk Producers Federation	8,809.53	Medical Assn. of the State of Alabama	8,175.00
				Medical Society of the District of Columbia	None
				Natl. Assn. of Alcohol & Tobacco Tax Field Officers	1,316.67
				Natl. Assn. of Insurance Agents	16,855.64
				Natl. Education Assn. of the U.S., Division of Legislation and Federal Relations of	53,642.67
				Natl. Society of Professional Engineers	5,860.41

LITTLE ROCK INTEGRATION

The Army Nov. 6 announced a further reduction in the number of troops on guard duty at the Little Rock, Ark., Central High School. The order followed by one day election to the Little Rock City Council of a slate of candidates neutral in the racial dispute. Army Secretary Wilber M. Brucker said the troop reduction was based on "the steady improvement in community stability," and a Defense Department spokesman said the cut had no connection with the election. (Weekly Report, p. 1226)

Unofficial election returns Nov. 6 showed that six of the seven council seats were won by candidates of the Good Government Committee, which had backed a drive to change from the mayor-council to the city manager form of government. The Committee took no stand on integration, but stood for law and order. The opposing Capital Citizens Council elected only one of its seven candidates -- three of whom were segregationists. Its one winner was not considered a violent segregationist.

The Army said the troop reduction would leave 225 regular troops and 900 National Guardsmen in Little Rock. Arkansas Gov. Orval E. Faubus Nov. 6 said he believed all of the troops would have left "long before now if they had a graceful way to do it."

Capitol Briefs

NEWS LEAKS

Attorney Loyd Wright, who headed the Commission on Government Security, Oct. 30 said he had been assured Congress would give early consideration in 1958 to legislation imposing fines and imprisonment on newsmen and other persons wilfully disclosing Government "secrets." Wright, addressing the American Society for Industrial Security, said "I think a lot of the Government's security classification is nonsense, but on the other hand, no private citizen has the right to usurp the powers of duly constituted authorities." (Weekly Report, p. 818)

CIVIL RIGHTS

Sen. J.W. Fulbright (D Ark.) Nov. 2 said he feared the 1958 session of Congress might be "practically immobilized" on pressing domestic and foreign problems by a renewed "battle over civil rights." Fulbright said he looked for introduction of a series of bills aimed at enforcing racial integration both in schools and public places in the South. "We have some vastly more important things to do...including catching up with the Russians," he said. (Weekly Report, p. 1141)

Around The Capitol

SATELLITE, MISSILE INQUIRY

Senate Democratic Leader Lyndon B. Johnson (Texas) Nov. 5 said a "searching inquiry" into the United States missile and satellite programs would be conducted by the Senate Armed Services Preparedness Subcommittee either late in November or early in December. The aim, he said, would be to "find ways and means of speeding up our programs and strengthening the security of the United States." Johnson said the inquiry "may be critical, if criticism is justified," but added that there was no intention to "put anyone on trial" or to find a "scapegoat."

Johnson, Subcommittee Chairman, announced the investigation following a Nov. 4, seven-hour briefing session conducted by Defense Department officials, which he attended together with Chairman Richard B. Russell (D Ga.) of the Senate Armed Services Committee and Sen. Styles Bridges (N.H.) chairman of the Republican Policy Committee. The conference was preceded by the Nov. 2 launching of a second earth satellite by Russia. The Nov. 2 satellite, about a half-ton in weight, contained a dog and scientific instruments. (Weekly Report, p. 1226)

Johnson said nothing he heard at the briefing session changed his earlier opinions that "we have not kept in step with the needs of our times." "The times call for bold leadership from strength and feeble denials of the facts of life will not strengthen us.... Progress is going to result only by bold decisions taken by bold heads," he said.

Bridges said he felt "we should have a top coordinator of all these activities" in the rockets and missiles fields. Russell said he wanted to assimilate Defense Department information before commenting.

Sen. Everett McKinley Dirksen (R Ill.), following a Nov. 5 conference with Adm. Arthur W. Radford, former chairman of the Joint Chiefs of Staff, said although Russian accomplishments "should not be downgraded," he was confident "we'll not only catch up with them but move back into the King row." Sen. Wallace F. Bennett (R Utah), in a Nov. 4 address, said the problem of "keeping the dollar sound is every bit as important as that of rocket research and perhaps even more important."

NATO MISSILE STOCKPILE

Secretary of State John Foster Dulles told a Nov. 5 news conference active study now was being given by the United States to proposals for a nuclear arms stockpile for NATO nations. Dulles said he hoped such a proposal would be ready for the NATO December meeting in Paris, which President Eisenhower is scheduled to attend. (Weekly Report, p. 1226)

Dulles said although much thought had been given to the possibility of unifying the various collective security organizations, "it would be overambitious" at present to do more than expand the exchange of information among them. He also said it would be desirable to share American-made intermediate ballistic missiles with other allies, in addition to Great Britain.

ATOMIC SECRETS POOL

Members of Congress showed mixed reaction to the statement of President Eisenhower and British Prime Minister Harold Macmillan that they would back a pool for allied atomic secrets. (Weekly Report, p. 1228)

Joint Atomic Energy Committee Chairman Carl T. Durham (D N.C.) Nov. 5 said that if the Administration was ready with amendments to the Atomic Energy Act to implement the pool by late November or early December, he would call his Committee then rather than wait until Congress convened Jan. 7. (Weekly Report, p. 1207)

Sen. Clinton P. Anderson (D N.M.), Vice Chairman of the Committee, said he would insist on rigid security protections and a definite exchange basis with any country given access to United States secrets and technology.

Sen. Jacob K. Javits (R N.Y.) said the U.S. was "in a crisis right now" and would have to give the President authority to pool the information with NATO allies. Rep. Kenneth B. Keating (R N.Y.) said "sound amendments" to the Atomic Energy Act "should be the first order of business for Congress in January."

1958 BUSINESS ACTIVITY

Secretary of Commerce Sinclair Weeks Nov. 5 said 1958 business activity would change only "fractionally" from what he predicted would be an all-time high for 1957. Weeks said: "The amazing growth in American population, education, research, transportation and dynamic economy spells tremendous business activity and high employment in the year immediately ahead." Weeks discounted the possibility of any severe business slump, but said that the economy was "experiencing a mild, rolling readjustment." His speech was delivered to a meeting of the National Paint, Varnish and Lacquer Assn. in Washington.

Among the "many plus factors in the economy" which Weeks cited were auto production and civic construction. He said: "Inflationary factors have already eased somewhat.... Needed civic construction, such as highways, schools and hospitals, is strong.... Residential housing is firming up...auto production of new models is getting well under way...income and consumer expenditures continue very high...."

STATE HEALTH GRANTS

Under Secretary of Health, Education and Welfare John A. Perkins Nov. 5 said the Federal medical grants-in-aid program should be re-evaluated. He did not advocate abandoning the program for hospitals and other health services, but suggested that states and localities should assume a greater share of the burden so the money saved could be used to satisfy the demands of the defense and foreign aid programs.

Perkins said an increase of 47 percent in state and local funds for public health in the past five years was an optimistic sign for the future. He said that although Federal assistance of specialized health programs had brought great benefits, it sometimes weakened local self-government by relieving those who received Federal aid of making decisions.

CONGRESS HAS TASK OF MAKING ENDS MEET

The Federal highway program enacted in 1956 (1956 Almanac, p. 398) faces serious financial difficulties. First tax receipts for the program were slightly below the estimated amount, and costs will run substantially higher than expected. Congress will be handed the problem of making ends meet.

Tax Receipts

The Federal-Aid Highway Act of 1956 and Highway Revenue Act of 1956 (PL 627, 84th Congress) provided financing for the highway program through a variety of taxes to be paid into a Highway Trust Fund. The Act provided these new and increased taxes would continue through June 30, 1972:

- Gasoline, diesel and fuel taxes, increased from 2 to 3 cents a gallon.
- Tire taxes, increased from 5 cents to 8 cents a pound, and a new 3-cent tax on material for retreads (camel back).
- Manufacturers' tax on trucks, buses and truck trailers, raised from 8 percent to 10 percent.
- A new tax of \$1.50 a thousand pounds on trucks and buses weighing more than 26,000 pounds.

Receipts from these taxes were earmarked for the Highway Trust Fund so that they could be used only for expenses of the highway program.

In fiscal 1957, ending June 30, 1957, these taxes brought \$1,478,925,050 into the Highway Trust Fund. Interest on special Treasury issues purchased with these receipts brought in an additional \$3,049,002. The Fund's total income was \$1,482,019,052. The actual income was \$60 million less than the \$1,542,000,000 Treasury experts had expected.

Treasury officials said receipts were only 3.6 percent below the expected amount, a discrepancy they do not consider significant, particularly when new taxes are involved. The new tax on heavy trucks and buses, for instance, yielded only \$27 million, instead of the estimated \$46 million.

About 87.7 percent of the first year tax receipts came from the gasoline taxes; 5.4 percent from tire taxes; 2.7 percent from the manufacturers' tax on trucks, buses and truck trailers; 2.4 percent from diesel fuel taxes; and 1.8 percent from the new users' tax on heavy trucks and buses.

In the first quarter (July-September, 1957) of fiscal 1958, Highway Fund receipts were \$600,718,968. Treasury officials are unwilling to predict, however, whether receipts for the whole fiscal year will be above or below the estimated \$2.07 billion.

Over the full 16-year period from July 1, 1956, through June 30, 1972, the Treasury officials estimate total receipts of the Highway Trust Fund at \$38,533,000,000. That should be enough, according to the original cost estimates, to provide the Federal Government's full \$25,135,000,000 share of the Interstate Highway System as well as \$13,398,000,000 for primary, secondary and urban roads.

The Highway Act authorized construction of the 41,000-mile Interstate Highway System over a period of 13 years, ending in mid-1970. However, the Act also provided that the actual rate of expenditures must be such that the Highway Trust Fund never shows a deficit.

According to the latest Treasury estimates, construction of the Interstate Highway System will have to be spaced over at least 15 or 16 years -- ending in 1972 or 1973 -- to keep the Trust Fund from going into the red.

The experts maintain this is no unexpected development; that Congress, while authorizing construction of the Interstate System in 13 years, made it clear that any year's authorization would be available for expenditure in that year and two years thereafter. At any rate, the public now knows that what was often referred to as a 13-year project will take at least 15 or 16 years to complete.

Increased Costs

A more serious problem stems from the fact that the actual cost of the road program is certain to be much higher than Congress anticipated when it approved the program in 1956. How much larger the bill will be Congress will learn Jan. 12, when the Department of Commerce submits firm estimates on the cost of 40,000 miles of the Interstate System.

Total cost of the Interstate System, of which the Federal Government will pay 90 percent and the states the remaining 10 percent, was originally estimated at \$27.5 billion. Indications are the revised estimate will put the cost at or near \$40 billion, an increase of 35-45 percent.

There are three main reasons for the increase:

1. Since the original estimates were made in 1954, highway building costs have increased 11-12 percent.
2. Construction standards have been improved in detailed plans for the System. Total number of structures -- interchanges, bridges, pedestrian overpasses, etc. -- will be almost double the number originally estimated.
3. The original estimates were made in haste by the state highway departments, and several states grossly underestimated the cost of work within their borders.

Road officials are seriously concerned about Congress's reaction to the sharply increased cost estimates. They see four alternatives open to the lawmakers, all of them to some degree undesirable. Congress could:

- Cut back the size of the Interstate System by one-third or more, to make it fit the approved budget.
- Reduce the standards of construction.
- Increase taxes for the road program.
- Or extend the period of time during which the taxes will continue in effect, at the same time setting back the deadline for the completion of the road-building.

One of the chief architects of the road program, Chairman George H. Fallon (D Md.) of the House Public Works Roads Subcommittee, Oct. 31 said he was withholding judgment on the proper course of action until the revised cost estimate is submitted. Fallon said a "stretch-out of the program could be considered, but I would hate to see it cut back in size."

DOES U.S. NEED TIGHTER OR MORE RELAXED LAWS?

Congress in 1958 will be under pressure to revise Federal conflict-of-interest statutes, which are designed broadly to discourage Government employees from using their official positions to further their own interests. President Eisenhower, at his July 31 press conference, complained that the laws added to his difficulties in recruiting competent aides from the business world since they "reach into such details of a man's life and business that...you are practically ruining his business career and his future."

Some Members of Congress, on the other hand, believe that the laws -- some dating back more than a century -- need to be tightened rather than relaxed. Among proponents of stricter legislation are Democrats critical of the large number of businessmen named to office under the Eisenhower Administration.

Background

Misuse of public office for private gain is an age-old problem of government against which statutory prohibitions have proved of small avail. In the United States, political officials and parties have been turned out of office more than once on evidence of corruption, much of it rooted in failure to live up to the spirit, if not the letter, of the conflict-of-interest laws. Today, the business of government is so large and varied that it offers infinite possibilities for violation of the public trust. But whether the conflict-of-interest statutes are more honored in the breach than in the observance is completely unknown, largely because prosecutors consider existing laws too loosely drawn to secure conviction for violation.

As a public issue, the subject of conflict of interest has presented itself in recent years in four areas, summarized as follows:

Previous Business Relations

- What criteria should govern the severance of a man's business connections once he accepts appointment to public office?

This question arose even before President Eisenhower was inaugurated Jan. 20, 1953, when the Senate Armed Services Committee gave notice that it would sit on the nomination of General Motors President Charles E. Wilson as Secretary of Defense unless Wilson agreed to dispose of \$2.5 million in GM stock. The Committee reasoned that since GM was one of the largest contractors for the armed services, Wilson's retention of his stock would violate Section 434 of Title 18 of the U.S. Code (see box).

Wilson agreed to sell his GM holdings and was confirmed by the Senate. Recently, however, Wilson, who resigned Aug. 7 said he did not believe that it was necessary for him to have sold his stock. He told U.S. News & World Report Oct. 18: "Actually it's more a question of public relations and politics.... The Secretary of Defense is not a procurement officer in any sense."

Since the Wilson episode, Presidential appointees generally have sought legal counsel concerning the propriety of their investments before appearing for hearings

'Patchwork of Prohibitions'

According to an April 24, 1956, interim report of the House Judiciary Antitrust Subcommittee, existing legislation designed to curb acts of Government employees that conflict with their official responsibilities consists of a "patchwork of prohibitions" which "lack the unity required to establish a comprehensive criterion against which specific activities of Government employees may be measured." The major conflict-of-interest laws:

- Title 18, U.S.C., Section 281 -- Prohibits any officer or employee from receiving or agreeing to receive compensation for any services rendered by himself or another in relation to any proceeding, contract, claim, controversy, charge or other matter in which the U.S. is directly or indirectly interested before any executive agency of the Government.
- Title 18, U.S.C., Section 283 -- Prohibits any officer or employee from acting as agent or attorney, or assisting in the prosecution of any claim against the U.S.
- Title 18, U.S.C., Section 284 -- Prohibits former officers and employees, for at least two years after their employment by the Government, from prosecuting, or from acting as counsel, attorney or agent for prosecuting, any claim against the U.S. involving any matter directly connected with the employee's Government duties.
- Title 18, U.S.C., Section 434 -- Prohibits anyone who is an officer, member or agent of any private concern, or who directly or indirectly is interested in its pecuniary profits or contracts, from acting on behalf of the U.S. in transacting business with the concern.
- Title 5, U.S.C., Section 99 -- Prohibits officers and employees from prosecuting any claim against the U.S. which was pending in any of the departments during their employment, and prohibits them from aiding in the prosecution of such a claim for two years after their employment.
- Title 18, U.S.C., Section 1914 -- Prohibits any Government official or employee from receiving any salary for the services performed by him for the Government from any source other than the Government, except as may be contributed by any state, county or city.

on their nominations, and the Senate has generally been satisfied with their arrangements either to retain or liquidate outside interests. But the issue may be revived in the case of Dr. Paul Darwin Foote, who received a recess appointment Sept. 6 as an Assistant Secretary of Defense. The Senate Armed Services Committee had failed to act on his nomination because he intended to retain his stock and pension rights in the Gulf Oil Co. Foote must be confirmed in January if he is to keep his job.

Handling Improprieties

- Should improper use of public office be handled by such administrative remedies as dismissal, or be left to prosecution?

So long as the conflict-of-interest statutes are considered lacking sufficient clarity to warrant prosecution, this question may remain moot. But the issue has proved embarrassing to the Eisenhower Administration on three occasions.

Harold E. Talbott resigned Aug. 1, 1955, as Secretary of Air Force, after acknowledging that he had written letters on Air Force stationery in behalf of an engineering concern in which he was a partner. Talbott denied that he had strayed beyond "the bounds of ethics" but resigned to avoid embarrassing the Administration. His decision, the President said, was "the right one."

Peter A. Strobel resigned Nov. 9, 1955, as Commissioner of the Public Buildings Service, also to avoid embarrassing the Administration, after a House committee had investigated Strobel's activities in behalf of his own firm of consulting engineers. He denied using his official position "to further my private interests."

Robert Tripp Ross resigned Feb. 14, 1957, as an Assistant Secretary of Defense after a Senate committee had investigated military clothing contracts awarded to firms owned by his wife and brother-in-law. Ross also denied any impropriety in the affair. On Aug. 14, a House Government Operations subcommittee filed a report clearing Ross of any "wrongful act," but censuring him for his "failure to realize" that contract awards to members of a Government official's family "are repugnant to public policy."

Workers Without Compensation

- What rules should apply to Government employment, without compensation, of persons who remain on the payrolls of private employers?

Use of WOCs, once called dollar-a-year men, has been extensive in war-time, and remains important in such agencies as the Business and Defense Services Administration of the Department of Commerce. According to the interim report of the House Antitrust Subcommittee, it "has never been judicially determined" whether WOCs fall under the conflict-of-interest laws.

The issue was one of several involved in the Dixon-Yates controversy (1955 Almanac, p. 533). Adolphe H. Wenzell, an official of the First Boston Corp. which was the financial agent for several large utility companies, worked as an unpaid consultant in the Bureau of the Budget in drafting a contract between the Atomic Energy Commission and a proposed private utility. Democrats charged that the Dixon-Yates contract was the opening wedge in an Administration campaign to undermine the Tennessee Valley Authority. AEC later ruled that the contract was invalid because of Wenzell's "conflicting private interest" while serving as an adviser to the Government. AEC's action is being challenged in the courts.

Limiting Activities

- To what extent should the activities of persons who leave Government service be limited in the areas of knowledge gained in Government service?

Section 284 of Title 18 (see box), placing a two-year ban on the prosecution of claims by former Government employees, has been construed by the courts to apply narrowly to claims involving money or property. Herbert A. Bergson, an Assistant Attorney General in the Truman Administration, was indicted Nov. 16, 1953, under section 284 for having handled for private clients two matters with which he had dealt while serving as head of the Anti-trust Division. Bergson was acquitted Jan. 29, 1954, on grounds that his activities did not come within the law relating to prosecution of claims.

Legislative Proposals

Congress last reviewed the conflict-of-interest laws in 1951, during an investigation of ethical standards in government by a Senate Labor subcommittee, headed by Sen. Paul H. Douglas (D Ill.). Testimony from prominent officials and citizens indicated substantial disagreement over the efficacy of legal prohibitions against the misuse of public office. The full Committee reported a resolution providing for establishment of a Commission on Ethics in Government, but no further action was taken. (1951 Almanac, p. 330).

On Aug. 28, 1957, the House adopted a 10-point Code of Ethics for Government Service (H Con Res 175). It said a Government employee "should," among other things, "engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties," and "never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit." The Senate did not act on the resolution before adjournment.

Several bills introduced in 1957 received no action and will remain before Congress in 1958. They include:

- HR 249, by Rep. Kenneth B. Keating (R N.Y.), would require persons engaged to seek Government contracts to register with the Senate and House, much as lobbyists are required to register.

- HR 257, by Keating, would revise Sections 283 and 284 of Title 18 (see box) to cover activities in all matters in which the United States is interested, and would extend the two-year ban in Section 284 without limit. This proposal, if enacted, would overcome the difficulty encountered in the Bergson case.

- S 1057, by Sen. William Langer (R N.D.), would require Members of Congress, all Government employees earning \$10,000 or more, officers of the rank of colonel or higher, and political party officials to file annual reports showing their income and assets and semi-annual reports showing all dealings in securities or commodities.

- S 2259, by Sen. George D. Aiken (R Vt.), would discourage outside employment by Government workers by requiring, in each instance, the agency head's approval.

- S 2461, by Sen. Henry M. Jackson (D Wash.), would prohibit "leaks" by employees of regulatory agencies concerning pending matters.

- S 2462, by Jackson, would prohibit communication with members of regulatory commissions on pending matters without giving notice to all parties to the proceedings.

Committee Roundup

ADMINISTERED PRICES

COMMITTEE -- Senate Judiciary, Antitrust and Monopoly Subcommittee.

CONTINUED HEARINGS -- On "administered" prices and recent steel price increases. (Weekly Report, p. 1232)

TESTIMONY -- Nov. 4 -- Former Secretary of Treasury George M. Humphrey, board chairman of the National Steel Corp., said his company was "not prepared to make any change whatever" in the price of steel. Chairman Estes Kefauver (D Tenn.), asking for a price cut, said wage increases accounted for only \$3.15 of the \$6-a-ton steel price increase, but Humphrey said other factors also were involved. Humphrey said National had boosted its prices during the summer to keep abreast of competitors and that its policy was to "keep ourselves competitive with the prices we find we have to meet." National, he said, "quotes prices that are as near the prices of our competitors as we can learn and determine and work out so we will get at least as much as they do -- and so we will not price ourselves over them and lose business."

Sen. Joseph C. O'Mahoney, pointing to a chart that indicated National's costs were the lowest of any of the 10 major steel corporations, asked if Humphrey still felt National should "follow" U.S. Steel Corp. in jumping prices. "So long as the pricing was such that we believed it was a fair general price, I would say yes," Humphrey replied. He added there was "no reason why, if National can make more money than U.S. Steel, we should not do it." But he said National always would be influenced by a long-range objective of expanding use of steel.

Nov. 5 -- O'Mahoney said Humphrey had indicated that steel products, for the most part, were in ample supply and that the industry was operating below capacity. Why, he asked Humphrey, if demand was receding, didn't prices also recede? "I think they may some day," Humphrey answered.

SCIENTIFIC MANPOWER

COMMITTEE -- House Post Office and Civil Service, Manpower Utilization Subcommittee.

BEGAN HEARINGS -- On the Government's use of scientists and engineers.

TESTIMONY -- Nov. 4 -- Chairman James C. Davis (D Ga.) pointed to Russia's two satellites as "a constant reminder of the unfortunate results of poor manpower utilization" on the part of the United States. He said much of the poor utilization stemmed from "the almost unbridled competition growing out of unlimited defense dollars."

Nov. 6 -- Assistant Secretary of Air Force David A. Smith said the Nation's shortage of scientists and engineers was affecting missile development. But he said the shortage was affecting chiefly the outside contractors who did most of the Air Force's research work. He recommended higher pay for top Government scientific personnel and added that it was hard to stop private industry from "raiding" Air Force scientific talent.

LABOR-MANAGEMENT RELATIONS

COMMITTEE -- Senate Select Committee on Improper Activities in the Labor and Management Fields.

CONTINUED HEARINGS -- On labor-management corruption. (Weekly Report, p. 1232)

TESTIMONY -- Oct. 31 -- George Mennen, vice president of the Mennen Co., denied his firm engaged in unfair labor practices or connived with Nathan W. Shefferman against unions. Mennen also said he had refused to pay "just plain extortion" to settle a 1951 strike at his plant called by Local 102 of the old United Auto Workers Union (AFL), headed by racketeer Johnny Dio. Subsequently the company signed a contract with the local. Mennen said the company had suggested an attorney and paid his fees when a plant machinist, James Graham, appealed for advice on how to get rid of the Dio union. In a 1954 election, Mennen employees voted for no union, in preference to either the Dio union or the Chemical Workers.

Mennen said his firm in 1953 hired Louis Jackson, head of Shefferman's New York office, "to improve its personnel policies." It also had employed Jackson briefly in 1951.

David Nagle, formerly Mennen personnel manager, said Graham had been picked, at Jackson's suggestion, to lead a drive to oust Dio's union. Nagle said the company had set up "rotating safety committees" as a means of spotting pro-unionists and had kept a card index of employees' union sentiments.

Nov. 1 -- Merlyn S. Pitzele, labor editor of Business Week magazine and labor adviser to President Eisenhower during the 1952 campaign, said the Teamsters Union had paid him \$15,000 in retainer fees over three years while he was chairman of the New York State Labor Mediation Board. Pitzele said he received \$5,000 a year in 1953, 1954 and 1955 for advising Teamsters President Dave Beck on ways to clean up the "bad" spots in the union. He said he had not participated as a board member in any arbitration of a Teamster dispute during that period. He also said his pay came from Shefferman, rather than the Teamsters directly. Committee investigators said Shefferman had charged the Teamsters \$16,000 for the \$15,000 he paid to Pitzele.

Nov. 4 -- Nine Flint, Mich., businessmen said they paid \$27,770 in 1954-56 to "entertain" Teamster officials. They said the payments were made through George Kamenow, Shefferman's Detroit representative, and were in addition to regular monthly fees paid to the Shefferman firm. Chairman John L. McClellan (D Ark.) said the businessmen were "buying peace" with the Teamsters. Most of the witnesses maintained they were paying for a consultant service and that "entertainment" costs were legitimate charges.

Nov. 5 -- Nathan Shefferman invoked the Fifth Amendment 26 times, and his son, Shelton Shefferman, invoked the same privilege 30 times when questioned about their firm's activities.

McClellan said the hearings "reflect a great discredit on some business firms in this country.... It was the services which management desired which created the need for Nathan Shefferman."

Congressional Quiz

REAPPORTIONMENT

The 1960 census promises to show marked changes in state population -- the basis for figuring distribution of seats in the House of Representatives. What do you know about the method of apportioning the seats in the House? Three correct answers is a good score.

1. Q--The size of the House of Representatives has remained the same since 1911. It is: (a) 96; (b) 248; (c) 435.

A--(c). The seats in the House, though currently fixed at 435, are subject to reapportionment between the states following each census. In reapportionments since 1929, the western coastal states have consistently gained seats at the expense largely of New York, Pennsylvania, Illinois and the Plains states.

2. Q--Which state gained the most seats in the reapportionment following the 1950 census: (a) Texas; (b) California; (c) Oregon?

A--(b). California gained seven seats and, according to a Congressional Quarterly tabulation based on Census Bureau estimates, is slated to gain another seven after the 1960 census. Second-place Florida, which gained two seats in 1950, is estimated to gain three seats in 1960.

3. Q--True or false: In the reapportionment based on the 1960 census, more states will lose House seats than will gain them.

A--True. According to Congressional Quarterly calculations based on Census Bureau estimates, 15 states will lose House seats. Those seats will be reapportioned among only eight states.

4. Q--The Constitution provides that each state shall have at least one Representative but that the number of Representatives shall not exceed one for every: (a) 300,000 persons; (b) 30,000 persons; (c) 100,000 persons?

A--(b). The Constitution required that House seats be apportioned to the states on the basis of population "counting the whole number of persons in each state, excluding Indians not taxed." The Supreme Court in 1935 held that all Indians were subject to national taxation and they were included in the population basis for the apportionments of 1941 and 1951.

5. Q--Can you name the four states that have only one Representative in the House because of their small populations?

A--Delaware, Nevada, Vermont and Wyoming have only one Representative, and are not expected to gain as a result of the 1960 census.

Check your Congressional Quarterly Almanacs for additional details and background information on the news of Congress appearing in the Weekly Reports. Published since 1944, the CQ Almanac is fully indexed and cross referenced.

Elections

Democrats found more to cheer about than the GOP in the off-year elections. In New Jersey, Democratic Gov. Robert B. Meyner handily won reelection over Republican Malcolm S. Forbes, who had been endorsed by President Eisenhower and aided by Vice President Nixon. In Virginia, Democrat J. Lindsay Almond, running on a platform of "massive resistance" to the Supreme Court's school desegregation decision, was elected governor by an almost 2-1 margin. In New York City, Democratic Mayor Robert F. Wagner polled 900,000 votes more than his opponent in winning a second term. (Page 1233)

Lobby Spending

Lobbies reported spending \$2.7 million to influence legislation during the first nine months of 1957, according to Congressional Quarterly's survey of official reports filed with the Clerk of the House. Of the 224 lobby groups that filed spending reports, top spender was the Campaign for the 48 States, which reported spending \$129,718 during the first three quarters of the year. The group is pushing for Federal economy through ratification of certain constitutional amendments. Second highest spender was the AFL-CIO, with reported spending of \$100,360. (Page 1237)

Conflict of Interest

Are the Federal conflict-of-interest laws too strict or too lax? Congress, long troubled by this issue, may decide to take another look at it in 1958. President Eisenhower has complained that these laws add to his difficulties in attracting top-flight men to serve in Washington. But others say the laws are almost useless in preventing Government employees from misusing their positions for private profit. There is no dispute over the basic objective underlying the conflict-of-interest statutes. The public trust is a well-established ethical concept. The problems -- and the disagreements -- lie in writing equitable and effective laws. (Page 1242)

Roadblock

The gigantic Federal highway program is up against a financial roadblock of multi-billion dollar dimensions. Administrators of the giant enterprise are preparing a report for the returning Congress that will indicate the cost of the 41,000-mile Interstate System -- heart of the program enacted in 1956 -- will exceed estimates by \$7-\$12 billion. The officials themselves are maintaining a discreet silence, but well-authenticated reports say they are struggling to keep the revised budget to \$40 billion, as compared to an original estimate of \$27.5 billion for the Interstate System. (Page 1241)

The Lineup

Two vacant House seats were filled by Republicans in the Nov. 5 elections, but one sitting Republican decided to move across the party aisle. Milton W. Glenn was elected in New Jersey's 2nd District and John A. LaFore Jr. was elected in Pennsylvania's 13th. But Rep. Vincent J. Della (N.J.), elected as a Republican in 1956, announced he would sit as a Democrat in 1958. The changes left the House lineup 234 Democrats, 200 Republicans and one vacancy. An additional vacancy was in the offing. Rep. Earl Chudoff (D Pa.), elected to a judgeship Nov. 5, planned to resign his House seat. Rep. Henry J. Latham (R N.Y.), who also had sought a judgeship, was defeated in the election. (Page 1234)

Heat on Humphrey

George M. Humphrey, who recently retired as Secretary of Treasury, returned to Washington to defend his company's pricing practices against the attacks of a Senate subcommittee. Humphrey, now board chairman of National Steel Corp., turned a deaf ear to Sen. Estes Kefauver's (D Tenn.) repeated demands for a \$3-a-ton cut in steel prices. National, said Humphrey, was "not prepared to make any change whatever" in its prices. (Page 1244)

Third Party?

Alabama Gov. James E. Folsom (D) and North Carolina Gov. Luther Hodges (D) said there was no support in their states for a third party movement, but the situation in neighboring Georgia appeared more uncertain. Georgia Gov. Marvin Griffin (D) said "at this time" the merits of a third party were "a matter of conjecture" to him personally, but added there was "a great deal of growing sentiment in this part of the Nation" for such a movement. (Page 1235)